

## Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 INT-08 L-03 H-02

PA-03 PRS-01 USIA-12 EUR-25 CIAE-00 INR-10 NSAE-00

COA-02 IO-12 SCI-06 RSR-01 /173 W  
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TO SECSTATE WASHDC 4235  
INFO AMEMBASSY BONN  
USDOC WASHDC  
CINCLANT NORFOLK VA

C O N F I D E N T I A L NASSAU 646

CINCLANT FOR POLAD

E. O. 11652: GDS  
TAGS: ECON ETRN PGOV PBOR BF GW TK US  
SUBJ: RECENT DEVELOPMENTS

### 1. NEW DEVELOPMENT ACTIVITY OR PROPAGANDA?

OVER THE PAST TWO WEEKS THE LOCAL NEWSPAPERS HAVE BEEN FRONT  
PAGING STORIES OF BIG PROJECTS BEING PLANNED IN THE BAHAMAS.  
THESE INCLUDE: CANADIAN INDUSTRIALIST E. P. TAYLOR'S PLANS  
TO DEVELOP A MODEL COMMUNITY ON FIVE THOUSAND ACRES ON THE  
WESTERN END OF NEW PROVIDENCE; THE DEVELOPMENT OF A 100 MIL-  
LION DOLLAR TOURIST COMPLEX ON ARAWAK CAY IN NASSAU HARBOR  
(DETAILS REPORTED ELSEWHERE); ANOTHER OIL TERMINAL ON GRAND  
BAHAMA; AND THE POSSIBILITY OF A 17 MILLION DOLLAR CONDOMINIUM-  
HOTEL COMPLEX ON ABACO. SOME OF THESE PROJECTS ARE STILL  
VERY TENTATIVE, AND HAVE BEEN TALKED ABOUT FOR THE PAST FEW  
YEARS. THE FACT THAT THEY WERE ALL PUBLICIZED AT ONCE LEADS  
ONE TO WONDER IF THE GOBI MAY BE TRYING TO PAINT A PICTURE OF  
RENEWED INVESTOR CONFIDENCE IN THE PRE- INDEPENDENCE PERIOD.  
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THE MINISTRY OF DEVELOPMENT HAS HIRED A PUBLIC RELATIONS FIRM TO AID IN ATTRACTING INVESTORS ( SEE NASSAU 445).

## 2. GERMAN MONEY COMING TO THE BAHAMAS

AN INFLUX OF GERMAN MONEY INTO THE BAHAMAS HAS BEEN TAKING PLACE IN THE LAST FEW MONTHS. INITIALLY THIS APPEARED TO BE GOING INTO HOUSES IN THE FREEPORT AREA. NOW TWO SPECIFIC PROJECTS HAVE RECENTLY BEEN ANNOUNCED IN THE PRESS AND THE CONSULATE HAS HEARD OF A GROUP OF GERMAN INVESTORS BEING BROUGHT HERE BY FORMER ROBERT VESCO ASSOCIATE, FREDERICK WEYMAR. THE TWO SPECIFIC PROJECTS ARE AN OIL TERMINAL AND A CONDOMINIUM- HOTEL COMPLEX.

ATLANTIC TERMINAL AND TANKER SERVICES OF LAUSANNE, SWITZERLAND AND THYSSEN STAHL UNION OF DUSSELDORF HAVE RECEIVED GOBI APPROVAL IN PRINCIPLE FOR THE CONSTRUCTION OF A 300 MILLION DOLLAR OIL REFINERY AND TRANS- SHIPMENT TERMINAL AT THE EASTERN END OF FREEPORT ON GRAND BAHAMA.

A GROUP OF GERMAN INVESTORS, HEADED BY A HERBERT WOETZEL HAVE ANNOUNCED PLANS FOR A 17 MILLION DOLLAR CONDOMINIUM- HOTEL COMPLEX AT MARSH HARBOUR, ABACO. THE PROPOSED CONDOMINIUM WILL CONTAIN 247 UNITS AND THE HOTEL 137. A MARINA WILL ALSO BE BUILT. CONSTRUCTIONS IS SLATED TO BEGIN IN ABOUT A YEAR.

THE DEVELOPERS CLAIM THAT THE VIABILITY OF THE PROJECT DEPENDS ON THE CONSTRUCTION OF A JET AIRPORT NEAR MARSH HARBOUR BECAUSE THEY INTEND TO RUN DIRECT FLIGHTS BETWEEN GERMANY AND MARSH HARBOUR ON THE AVERAGE OF SIX PER MONTH.

## 3. TURKS AND CAICOS- ESSO INTERAMERICA REFINERY OPTION

ESSO- INTERAMERICA HAS SIGNED AN OPTION AGREEMENT WITH THE T& C GOVERNMENT FOR THE LAND ON WEST CAICOS FOR A POSSIBLE REFINERY. THIS OPTION RUNS UNTIL JUNE 30, 1 1973. ESSO HAS RIGHTS TO RENEW THE OPTION FOR ANOTHER YEAR, UPON PAYMENT OF AN ADDITIONAL FEE OF 200,000 DOLLARS. ACCORDING TO THE TURKS AND CAICOS FINANCIAL SECRETARY, ESSO HAS STILL NOT MADE A DECISION TO GO AHEAD WITH THE REFINERY PROJECT.

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## 4. BAHAMIAN CONSTITUTIONAL TALKS

A DELEGATION HEADED BY EXTERNAL AFFAIRS MINISTER ADDERLEY WENT TO LONDON MAY 7 FOR BILATERAL TALKS ON THE FINAL DRAFT OF THE BAHAMAS CONSTITUTION. ADDERLEY WAS ACCOMPANIED BY DEPUTY PM HANNA, HEALTH MINISTER ROKER AND FNM LEADER KENDALL ISAACS. A FIRST DRAFT OF THE CONSTITUTION HAD BEEN SUBMITTED BY HMG

TO THE GOBI AND OPPOSITION IN MARCH. THE TALKS WERE REPORTEDLY NECESSARY TO " CLARIFY CERTAIN AMBIGUITIES" IN THE UK DRAFT CONCERNING THE ISSUE OF CITIZENSHIP. ADDERLEY REPORTE ON HIS RETURN THAT THE BRITISH GOT THEIR WAY, " BUT WE' LL GET AROUND THAT LATER." THE INDEPENDENCE BILL IS NOW MOVING THROUGH THE BRITISH PARLIAMENT ON A TIGHT SCHEDULE.

5. LAW OF THE SEA

EXTERNAL AFFAIRS MINISTER ADDERLEY TOOK TWO RECENT OPPORTUNITIES TO REAFFIRM GOBI' S INTENTION OF ASSERTING CLAIMS TO A BAHAMIAN ARCHIPELAGO THEORY AND A TWELVE- MILE TERRITORIAL SEA. ADDERLEY SAID THAT THE WATERS AFFECTED BY AN ARCHIPELAGO CLAIM WOULD BE DIVIDED " ACCORDING TO LOCATION INTO INTERNAL WATERS AND TERRITORIAL WATERS." ADDERLEY ADDED THAT THE GOBI WOULD SEEK TO GUARANTEE FREE PASSAGE IN DESIGNATED SEA LANES THROUGH THE ARCHIPELAGO. ADDERLEY DEFENDED THE ARCHIPELAGO PRINCIPLE AS THE ONLY LOGICAL METHOD OF DEFINING THE BAHAMAS AND STRESSED ENVIRONMENTAL CONCERNS.

6. TURKS AND CAICOS - A NEW GOVERNOR

HERETOFORE THE GOVERNOR OF THE BAHAMAS ISLANDS ALSO SERVED AS GOVERNOR OF THE TURKS AND CAICOS, AN ARRANGEMENT WHICH OF COURSE BECOMES OBSOLETE WITH BAHAMIAN INDEPENDENCE. EFFECTIVE APRIL 25, ALEXANDER G. MITCHELL, FORMER ADMINISTRATOR OF THE TURKS AND CAICOS, WILL SERVE AS GOVERNOR OF THOSE ISLANDS.

SPEAR

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